

1 **SECTION 2700.** 115.42 (2) (a) 2. of the statutes is amended to read:

2 115.42 (2) (a) 2. The person maintains his or her license as a teacher issued by
3 the state superintendent or remains employed in a private school located in this
4 state.

5 **SECTION 2702.** 115.42 (2) (c) of the statutes is created to read:

6 115.42 (2) (c) The amount of each grant under par. (a) shall be \$5,000 in any
7 school year in which the recipient is employed in a school in which at least 60 percent
8 of the pupils enrolled are eligible for a free or reduced-price lunch under 42 USC
9 1758 (6).

10 **SECTION 2705.** 115.43 (title) of the statutes is amended to read:

11 **115.43 (title) ~~Minority group pupil~~ Precollege scholarships.**

12 **SECTION 2706.** 115.43 (1) of the statutes is amended to read:

13 115.43 (1) DEFINITION. In this section, "~~minority group economically~~
14 ~~disadvantaged~~ pupil" means a pupil who is ~~Black or African American, Hispanic,~~
15 ~~American Indian, an Alaskan native, or a person of Asian or Pacific Island origin~~
16 eligible for a free or reduced-price lunch under 42 USC 1758 (b).

17 **SECTION 2707.** 115.43 (2) (a) of the statutes is amended to read:

18 115.43 (2) (a) Annually set goals relating to increasing the percentages of
19 ~~minority group economically disadvantaged~~ pupils who graduate from high school
20 and are prepared for postsecondary school education.

21 **SECTION 2708.** 115.43 (2) (b) of the statutes is amended to read:

22 115.43 (2) (b) From the appropriation under s. 20.255 (3) (fz), award precollege
23 scholarships, on a competitive basis, to ~~minority group economically disadvantaged~~
24 pupils who enroll in a technical college or in college or university classes or programs
25 designed to improve academic skills that are essential for success in postsecondary

1 school education. The state superintendent shall give preference to ~~minority group~~
2 economically disadvantaged pupils who are inadequately represented in the
3 technical college and University of Wisconsin Systems.

4 **SECTION 2708m.** 115.436 of the statutes is created to read:

5 **115.436 Sparsity aid.** (1) In this section, "membership" has the meaning
6 given in s. 121.004 (5).

7 (2) A school district is eligible for sparsity aid under this section if it satisfies
8 all of the following criteria:

9 (a) The school district's membership in the previous school year was no more
10 than 725.

11 (b) At least 20 percent of the school district's membership in the previous school
12 year was eligible for a free or reduced-price lunch under 42 USC 1758 (b).

13 (c) The school district's membership in the previous school year divided by the
14 school district's area in square miles is less than 10.

15 (3) (a) Beginning in the 2008-09 school year, the department shall pay to each
16 school district eligible for sparsity aid the following amount from the appropriation
17 under s. 20.255 (2) (ae), subject to par. (b):

18 1. If less than 50 percent of the school district's membership in the previous
19 school year was eligible for a free or reduced-price lunch under 42 USC 1758 (b), \$150
20 multiplied by the membership in the previous school year.

21 2. If 50 percent or more of the school district's membership in the previous
22 school year was eligible for a free or reduced-price lunch under 42 USC 1758 (b), \$300
23 multiplied by the membership in the previous school year.

1 (b) If the appropriation under s. 20.255 (2) (ae) in any fiscal year is insufficient
2 to pay the full amount under par. (a), the department shall prorate the payments
3 among the eligible school districts.

4 **SECTION 2709.** 115.445 of the statutes is created to read:

5 **115.445 Four-year-old kindergarten grants.** (1) A school board may
6 apply to the department for a 2-year grant under this section to implement a
7 4-year-old kindergarten program.

8 (2) (a) In the first school year of a grant awarded under this section, the
9 department shall pay the school board up to \$3,000 for each 4-year-old kindergarten
10 pupil enrolled in the school district. In the succeeding school year, the department
11 shall pay the school board up to \$1,500 for each 4-year-old kindergarten pupil
12 enrolled in the school district.

13 (b) The department shall award grants under this section beginning in the
14 2008-09 school year and shall give preference in awarding grants to school boards
15 that use community approaches to early education, as defined by the department by
16 rule. If the funds in the appropriation under s. 20.255 (2) (dp) are insufficient to pay
17 all eligible school boards, the department shall prorate the payments.

18 (3) The department shall promulgate rules to implement this section.

19 **SECTION 2710e.** 115.53 (3) (a) of the statutes is amended to read:

20 115.53 (3) (a) Arrange for otological or ophthalmic examination of any pupil or
21 prospective pupil of the Wisconsin Educational Services Program for the Deaf and
22 Hard of Hearing. The examination shall be paid for from the appropriation in s.
23 20.255 (1) (b), ~~(gh)~~ or (gs).

24 **SECTION 2710m.** 115.53 (3) (b) of the statutes is amended to read:

1 115.53 (3) (b) Arrange for ophthalmic or otological examination of any pupil or
2 prospective pupil of the school operated by the Wisconsin Center for the Blind and
3 Visually Impaired. The examination shall be paid from the appropriation in s. 20.255
4 (1) (b), ~~(gh)~~, (gL), or (gs).

5 **SECTION 2710s.** 115.53 (4) of the statutes is repealed.

6 **SECTION 2711.** 115.812 (1) of the statutes is amended to read:

7 115.812 (1) **PLACEMENT DISPUTES.** If a dispute arises between a local educational
8 agency and the department of ~~health and family services~~ children and families, the
9 department of corrections, or a county department under s. 46.215, 46.22, or 46.23,
10 or between local educational agencies under s. 115.81 (4) (c), over the placement of
11 a child, the state superintendent shall resolve the dispute. This subsection applies
12 only to placements in nonresidential educational programs made under s. 48.57 (1)
13 (c) and to placements in residential care centers made under s. 115.81.

14 **SECTION 2711d.** 115.881 (4) of the statutes is created to read:

15 115.881 (4) A school district receiving aid under s. 115.883 in any school year
16 is not eligible for aid under this section in that school year.

17 **SECTION 2711e.** 115.883 of the statutes is created to read:

18 **115.883 Supplemental special education aid.** (1) Beginning in the
19 2008-09 school year, from the appropriation under s. 20.255 (2) (be), the department
20 shall pay supplemental special education aid to school districts to which all of the
21 following apply:

22 (a) In the previous school year, the school district's revenue authority per pupil
23 under subch. VII of ch. 121 was below the statewide average.

1 (b) In the previous school year, the school district's expenditures for special
2 education constituted more than 16 percent of the school district's total
3 expenditures.

4 (c) In the previous school year, the school district's membership, as defined in
5 s. 121.004 (5), was less than 2,000 pupils.

6 (2) In the 2008-09 school year, the department shall pay each school district
7 eligible for aid under this section the same amount. In each school year thereafter,
8 the department shall distribute aid under this section to eligible school districts
9 proportionally based upon each school district's expenditures for special education
10 in the previous school year, except that in any school year a school district may
11 receive not less than \$50,000, and not more than \$150,000 or an amount equal to 50
12 percent of the school district's expenditures for special education in the previous
13 school year, whichever is less.

14 (3) A school district receiving aid under s. 115.881 in any school year is not
15 eligible for aid under this section in that school year.

16 **SECTION 2712.** 118.125 (2) (i) of the statutes is amended to read:

17 118.125 (2) (i) Upon request, the school district clerk or his or her designee shall
18 provide the names of pupils who have withdrawn from the public school prior to
19 graduation under s. 118.15 (1) (c) to the technical college district board in which the
20 public school is located or, for verification of eligibility for public assistance under ch.
21 49, to the department of health and family services, the department of workforce
22 development children and families, or a county department under s. 46.215, 46.22,
23 or 46.23.

24 **SECTION 2715.** 118.19 (1r) (a) of the statutes is amended to read:

1 118.19 (1r) (a) As provided in the memorandum of understanding under s.
2 49.857, the department of public instruction may not issue or renew a license or
3 permit or revalidate a license that has no expiration date unless the applicant
4 provides the department of public instruction with his or her social security number.
5 The department of public instruction may not disclose the social security number
6 except to the department of ~~workforce development~~ children and families for the sole
7 purpose of administering s. 49.22.

8 **SECTION 2716.** 118.19 (1r) (b) of the statutes is amended to read:

9 118.19 (1r) (b) As provided in the memorandum of understanding under s.
10 49.857, the department may not issue or renew a license or permit or revalidate a
11 license that has no expiration date if the applicant, licensee or permit holder is
12 delinquent in making court-ordered payments of child or family support,
13 maintenance, birth expenses, medical expenses or other expenses related to the
14 support of a child or former spouse or if the applicant, licensee or permit holder fails
15 to comply, after appropriate notice, with a subpoena or warrant issued by the
16 department of ~~workforce development~~ children and families or a county child
17 support agency under s. 59.53 (5) and related to paternity or child support
18 proceedings.

19 **SECTION 2717.** 118.19 (10) (g) of the statutes is amended to read:

20 118.19 (10) (g) At the request under s. 49.22 (2m) of the department of
21 ~~workforce development~~ children and families or a county child support agency under
22 s. 59.53 (5), the state superintendent shall release the name and address of the
23 applicant or licensee, the name and address of the applicant's or licensee's employer
24 and financial information, if any, related to the applicant or licensee obtained under

1 this subsection to the department of ~~workforce development~~ children and families or
2 the county child support agency.

3 **SECTION 2719m.** 118.35 (4) of the statutes is amended to read:

4 118.35 (4) From the appropriation under s. 20.255 (2) (fy), the department shall
5 award grants to nonprofit organizations, cooperative educational service agencies,
6 and the school district operating under ch. 119 for the purpose of providing advanced
7 curriculum and assessments for gifted and talented ~~middle school~~ pupils.

8 **SECTION 2733.** 119.04 (1) of the statutes is amended to read:

9 119.04 (1) Subchapters IV, V and VII of ch. 115, ch. 121 and ss. 66.0235 (3) (c),
10 66.0603 (1m) to (3), 115.01 (1) and (2), 115.28, 115.31, 115.33, 115.34, 115.343,
11 115.345, 115.361, 115.38 (2), 115.445, 115.45, 118.001 to 118.04, 118.045, 118.06,
12 118.07, 118.10, 118.12, 118.125 to 118.14, 118.145 (4), 118.15, 118.153, 118.16,
13 118.162, 118.163, 118.164, 118.18, 118.19, 118.20, 118.24 (1), (2) (c) to (f), (6) and (8),
14 118.245, 118.255, 118.258, 118.291, 118.30 to 118.43, 118.51, 118.52, 118.55, 120.12
15 (5) and (15) to (26), 120.125, 120.13 (1), (2) (b) to (g), (3), (14), (17) to (19), (26), (34),
16 (35), (37), (37m), and (38), 120.14, and 120.25 are applicable to a 1st class city school
17 district and board.

18 **SECTION 2735w .** 119.46 (1) of the statutes is amended to read:

19 119.46 (1) As part of the budget transmitted annually to the common council
20 under s. 119.16 (8) (b), the board shall report the amount of money required for the
21 ensuing school year to operate all public schools in the city under this chapter, to
22 repair and keep in order school buildings and equipment, to make material
23 improvements to school property and to purchase necessary additions to school sites.
24 The amount included in the report for the purpose of supporting the Milwaukee
25 Parental Choice Program under s. 119.23 shall be reduced by the amount of aid

1 received by the board under s. 121.136. The common council shall levy and collect
2 a tax upon all the property subject to taxation in the city, which shall be equal to the
3 amount of money required by the board for the purposes set forth in this subsection,
4 at the same time and in the same manner as other taxes are levied and collected.
5 Such taxes shall be in addition to all other taxes which the city is authorized to levy.
6 The taxes so levied and collected, any other funds provided by law and placed at the
7 disposal of the city for the same purposes, and the moneys deposited in the school
8 operations fund under s. 119.60 (1), shall constitute the school operations fund.

9 **SECTION 2736.** 120.125 (4) (h) of the statutes is amended to read:

10 120.125 (4) (h) That the day care provider shall meet the standards for licensed
11 day care centers established by the department of ~~health and family services~~
12 children and families.

13 **SECTION 2738.** 120.13 (14) of the statutes is amended to read:

14 120.13 (14) DAY CARE PROGRAMS. Establish and provide or contract for the
15 provision of day care programs for children. The school board may receive federal
16 or state funds for this purpose. The school board may charge a fee for all or part of
17 the cost of the service for participation in a day care program established under this
18 subsection. Costs associated with a day care program under this subsection may not
19 be included in shared costs under s. 121.07 (6). Day care programs established under
20 this subsection shall meet the standards for licensed day care centers established by
21 the department of ~~health and family services~~ children and families. If a school board
22 proposes to contract for or renew a contract for the provision of a day care program
23 under this subsection or if on July 1, 1996, a school board is a party to a contract for
24 the provision of a day care program under this subsection, the school board shall refer
25 the contractor or proposed contractor to the department of ~~health and family services~~

1 children and families for the criminal history and child abuse record search required
2 under s. 48.685. Each school board shall provide the department of health and family
3 services with information about each person who is denied a contract for a reason
4 specified in s. 48.685 (4m) (a) 1. to 5.

5 **SECTION 2744gm.** 121.136 of the statutes is created to read:

6 **121.136 State aid for high-poverty school districts. (1)** (a) In the 2007-08
7 and 2008-09 school years, the department shall pay additional state aid to a school
8 district if at least 50 percent of the district's enrollment, as rounded to the nearest
9 whole percentage point and as reported to the department by the school district in
10 October 2006, as a condition for participation in the federal school lunch program
11 under 42 USC 1758 (b), was eligible for a free or reduced-price lunch in the federal
12 school lunch program under 42 USC 1758 (b).

13 (b) The amount paid to each eligible school district in the 2007-08 and 2008-09
14 fiscal years shall be determined as follows:

15 1. Divide the amount appropriated under s. 20.255 (2) (bb) by the total number
16 of pupils enrolled in all eligible school districts.

17 2. Multiply the quotient under subd. 1. by the number of pupils enrolled in the
18 school district.

19 **(2)** (a) In the 2009-10 school year and annually thereafter, the department
20 shall pay additional state aid to a school district if at least 50 percent of the district's
21 enrollment on the 3rd Friday of September in the immediately preceding
22 even-numbered year, as rounded to the nearest whole percentage point, was eligible
23 for a free or reduced-price lunch in the federal school lunch program under 42 USC
24 1758 (b).

1 (b) Except as provided in par. (c), the amount paid to each eligible school district
2 in the 2009-10 school year and annually thereafter shall be determined as follows:

3 1. Divide the amount appropriated under s. 20.255 (2) (bb) by the total number
4 of pupils enrolled in all eligible school districts.

5 2. Increase the amount determined under subd. 1. by the percentage increase
6 in the total amount appropriated under s. 20.255 (2) (ac) between the previous school
7 year and the current school year, but not less than zero.

8 3. Increase the amount determined under subd. 2. by the percentage increase
9 in this state's aggregate personal income between the calendar year beginning in the
10 2nd previous school year and the calendar year beginning in the previous school year,
11 but not less than zero.

12 4. Multiply the amount determined under subd. 3. by the school district's
13 enrollment on the 3rd Friday of September in the current school year.

14 (c) 1. Beginning in the 2009-10 school year, an eligible school district may not
15 receive under par. (b) less than the amount determined by increasing the amount
16 received under this section in the previous school year by the percentage increases
17 specified in par. (b) 2. and 3.

18 2. Notwithstanding subd. 1., if in any fiscal year the amount appropriated
19 under s. 20.255 (2) (bb) is insufficient to fully fund aid payments under this
20 subsection, the department shall prorate payments to eligible school districts.

21 **SECTION 2748.** 121.58 (2) (a) 4. of the statutes is amended to read:

22 121.58 (2) (a) 4. For each pupil so transported whose residence is more than
23 12 miles from the school attended, ~~\$150~~ \$180 per school year in the ~~2005-06~~ 2006-07
24 school year and ~~\$180~~ \$220 per school year thereafter.

25 **SECTION 2748m.** 121.58 (2) (d) of the statutes is created to read:

1 121.58 (2) (d) In addition to any other payments made under this section, the
2 department shall allocate \$35,000 annually to reimburse school districts for 75
3 percent of the costs incurred to transport pupils over ice from their residence on an
4 island to school on the mainland and back to their residence on the island, including
5 the costs of maintaining and storing equipment. If in any school year the amount to
6 which school districts are entitled under this paragraph exceeds \$35,000, the
7 department shall prorate the payments among the eligible school districts.

8 **SECTION 2749q.** 121.90 (2) (intro.) of the statutes is amended to read:

9 121.90 (2) (intro.) "State aid" means aid under ss. 121.08, 121.09 and, 121.105,
10 and 121.136 and subch. VI, as calculated for the current school year on October 15
11 under s. 121.15 (4) and including adjustments made under s. 121.15 (4), and amounts
12 under s. 79.095 (4) for the current school year, except that "state aid" excludes all of
13 the following:

14 **SECTION 2749r.** 121.90 (2) (c) of the statutes is created to read:

15 121.90 (2) (c) For the school district operating under ch. 119, aid received under
16 s. 121.136.

17 **SECTION 2750.** 121.905 (1) of the statutes is amended to read:

18 121.905 (1) In this section, "revenue ceiling" means ~~\$8,100~~ \$8,700 in the
19 ~~2005-06~~ 2007-08 school year and ~~\$8,400~~ \$9,000 in any subsequent school year.

20 **SECTION 2751.** 121.91 (2m) (e) (intro.) of the statutes is amended to read:

21 121.91 (2m) (e) (intro.) Except as provided in subs. (3) ~~and~~, (4), and (8), no
22 school district may increase its revenues for the 1999-2000 school year or for any
23 school year thereafter to an amount that exceeds the amount calculated as follows:

24 **SECTION 2752.** 121.91 (4) (f) 1. of the statutes is amended to read:

1 121.91 (4) (f) 1. Except as provided in subd. 1m., for the ~~1999-2000~~ 2007-08
2 school year or any school year thereafter, if the average of the number of pupils
3 enrolled in the current and the 2 preceding school years is less than the average of
4 the number of pupils enrolled in the 3 previous school years, the limit otherwise
5 applicable under sub. (2m) (e) is increased by the additional amount that would have
6 been calculated had ~~the~~ there been no decline in average enrollment ~~been 25% of~~
7 ~~what it was.~~

8 **SECTION 2753.** 121.91 (4) (f) 1m. b. of the statutes is amended to read:

9 121.91 (4) (f) 1m. b. For the school year beginning on the first July 1 following
10 the effective date of the school district reorganization, if the number of pupils
11 enrolled in that school year is less than the number of pupils enrolled in the previous
12 school year, the limit otherwise applicable under sub. (2m) (e) is increased by the
13 additional amount that would have been calculated had ~~the~~ there been no decline in
14 enrollment ~~been 25 percent of what it was.~~

15 **SECTION 2754.** 121.91 (4) (f) 1m. c. of the statutes is amended to read:

16 121.91 (4) (f) 1m. c. For the school year beginning on the 2nd July 1 following
17 the effective date of the school district reorganization, if the average of the number
18 of pupils enrolled in that school year and the previous school year is less than the
19 average of the number of pupils enrolled in the 2 previous school years, the limit
20 otherwise applicable under sub. (2m) (e) is increased by the additional amount that
21 would have been calculated had ~~the~~ there been no decline in average enrollment ~~been~~
22 ~~25 percent of what it was.~~

23 **SECTION 2756m.** 121.91 (7) of the statutes is amended to read:

24 121.91 (7) Except as provided in sub. (4) (f) 2. and (8), if an excess revenue is
25 approved under sub. (3) for a recurring purpose or allowed under sub. (4), the excess

1 revenue shall be included in the base for determining the limit for the next school
2 year for purposes of this section. If an excess revenue is approved under sub. (3) for
3 a nonrecurring purpose, the excess revenue shall not be included in the base for
4 determining the limit for the next school year for purposes of this section.

5 **SECTION 2757.** 121.91 (8) of the statutes is created to read:

6 121.91 (8) If a school district's initial revenue limit for the current school year,
7 as calculated under s. 121.905 or sub. (2m) (e), whichever is appropriate, before
8 making any adjustments under sub. (3) or (4), is less than the amount determined
9 by multiplying the amount under sub. (2m) (e) 1. by the average of the number of
10 pupils enrolled in the 3 preceding school years, the school district's initial revenue
11 limit for the current school year, before making any adjustments under sub. (3) or (4),
12 is the amount determined by multiplying the amount under sub. (2m) (e) 1. by the
13 average of the number of pupils enrolled in the 3 preceding school years. Any
14 additional revenue received by a school district as a result of this subsection shall not
15 be included in the base for determining the school district's limit under sub. (2m) for
16 the following school year.

17 **SECTION 2757r.** 125.01 of the statutes is amended to read:

18 **125.01 Legislative intent.** This chapter shall be construed as an enactment
19 of the legislature's support for the 3-tier system for alcohol beverages production,
20 distribution, and sale that, through uniform statewide regulation, provides this
21 state regulatory authority over the production, storage, distribution, transportation,
22 sale, and consumption of alcohol beverages by and to its citizens, for the benefit of
23 the public health and welfare and this state's economic stability. Without the 3-tier
24 system, the effective statewide regulation and collection of state taxes on alcohol
25 beverages sales would be seriously jeopardized. It is further the intent of the

1 legislature that without a specific statutory exception, all sales of alcohol beverages
2 shall occur through the 3-tier system, from manufacturers to licensed wholesalers
3 to retailers to consumers. Face-to-face retail sales at licensed premises directly
4 advance the state's interest in preventing alcohol sales to underage or intoxicated
5 persons.

6 **SECTION 2757t.** 125.015 of the statutes is created to read:

7 **125.015 Severability.** If any provision or clause of this chapter or its
8 application to any person or circumstance is held invalid, the invalidity shall not
9 affect other provisions or applications of this chapter that can be given effect without
10 the invalid provision or application, and to this end the provisions of this chapter are
11 severable.

12 **SECTION 2757te.** 125.02 (2) of the statutes is amended to read:

13 125.02 (2) "Brewer" means any person who manufactures fermented malt
14 beverages for sale or transportation, except that "brewer" does not include a
15 permittee under s. 125.295.

16 **SECTION 2757tm.** 125.02 (2d) (intro.), (2h), (2p) and (2t) of the statutes are
17 created to read:

18 125.02 (2d) (intro.) "Brewer group" means a brewer, including all premises for
19 which the brewer holds a permit issued under s. 125.29, together with all of the
20 following:

21 (2h) "Brewpub" means a permittee under s. 125.295.

22 (2p) "Brewpub group" means a brewpub, including all premises for which the
23 brewpub holds a permit issued under s. 125.295, together with all of the following:

24 (a) All brewpubs that share membership with the brewpub in a controlled
25 group of brewpubs, as determined under 26 USC 5051 (a) (2) (B).

1 (b) All brewpubs considered with the brewpub as one taxpayer under 27 CFR
2 25.111b (b).

3 (c) All franchisees, as defined in s. 553.03 (5), of the brewpub.

4 (d) All franchisees, as defined in s. 553.03 (5), of the brewpub's franchisor, as
5 defined in s. 553.03 (6).

6 (e) The franchisor, as defined in s. 553.03 (6), of the brewpub.

7 (2t) "Brewpub premises" means any premises covered by a permit issued under
8 s. 125.295.

9 **SECTION 2757w.** 125.02 (3r) of the statutes is created to read:

10 125.02 (3r) "Caterer" means any person holding a restaurant permit under s.
11 254.64 who is in the business of preparing food and transporting it for consumption
12 on premises where gatherings, meetings, or events are held, if the sale of food at each
13 gathering, meeting, or event accounts for greater than 50 percent of the gross
14 receipts of all of the food and beverages served at the gathering, meeting, or event.

15 **SECTION 2757we.** 125.02 (21) of the statutes is amended to read:

16 125.02 (21) "Wholesaler" means a person, other than a brewer, brewpub,
17 manufacturer, or rectifier, who sells alcohol beverages to a licensed retailer or to
18 another person who holds a permit or license to sell alcohol beverages at wholesale.

19 **SECTION 2757wm.** 125.04 (9) of the statutes is amended to read:

20 125.04 (9) SEPARATE LICENSE OR PERMIT REQUIRED. Except as provided under ss.
21 125.27 (2) (a) and 125.51 (5) (c) 1., wholesalers, manufacturers, rectifiers, brewers,
22 brewpubs, and retailers shall have a separate permit or license covering each
23 location or premises, except a licensed public warehouse, from which deliveries and
24 sales of alcohol beverages are made or at which alcohol beverages are stored.

25 **SECTION 2757ws.** 125.07 (4) (bm) 1. of the statutes is amended to read:

1 125.07 (4) (bm) 1. A brewer or brewpub.

2 **SECTION 2758.** 125.07 (4) (cm) of the statutes is amended to read:

3 125.07 (4) (cm) When a court revokes or suspends a person's operating privilege
4 under par. (bs) or (c), the department of transportation may not disclose information
5 concerning or relating to the revocation or suspension to any person other than a
6 court, district attorney, county corporation counsel, city, village or town attorney, law
7 enforcement agency, driver licensing agency of another jurisdiction, or the person
8 whose operating privilege is revoked or suspended. A person entitled to receive
9 information under this paragraph may not disclose the information to any other
10 person or agency.

11 **SECTION 2759.** 125.085 (3) (bp) of the statutes is amended to read:

12 125.085 (3) (bp) When a court suspends a person's operating privilege under
13 par. (bd), the department of transportation may not disclose information concerning
14 or relating to the suspension to any person other than a court, district attorney,
15 county corporation counsel, city, village or town attorney, law enforcement agency,
16 driver licensing agency of another jurisdiction, or the person whose operating
17 privilege is suspended. A person entitled to receive information under this
18 paragraph may not disclose the information to any other person or agency.

19 **SECTION 2759b.** 125.10 (4) of the statutes is amended to read:

20 125.10 (4) REGULATION OF CLOSED RETAIL PREMISES. A municipality may not
21 prohibit the permittee, licensee, employees, salespersons, employees of wholesalers
22 licensed under s. 125.28 (1) or 125.54 (1); employees of permittees under s. 125.295
23 with respect to the permittee's own retail premises; or service personnel from being
24 present on premises operated under a Class "A", "Class A" or "Class C" license or

1 under a Class "B" or "Class B" license or permit during hours when the premises are
2 not open for business if those persons are performing job-related activities.

3 **SECTION 2759c.** 125.12 (5) of the statutes is amended to read:

4 125.12 (5) REVOCATIONS OR SUSPENSIONS OF, OR REFUSALS TO RENEW, PERMITS BY
5 THE DEPARTMENT. The department may, after notice and an opportunity for hearing,
6 revoke, suspend or refuse to renew any retail permit issued by it for the causes
7 provided in sub. (4) and any other permit issued by it under this chapter for any
8 violation of this chapter or ch. 139, except that, for a violation of sub. (4) (ag) 6. with
9 respect to a license issued under s. 125.51 (4) (v) or a violation of s. 125.535 or
10 139.035, the department shall revoke the license or permit. A revocation, suspension
11 or refusal to renew is a contested case under ch. 227.

12 **SECTION 2759ca.** 125.25 (2) (b) 5. of the statutes is created to read:

13 125.25 (2) (b) 5. A Class "A" license may not be issued to a person holding a
14 brewpub permit issued under s. 125.295 or to a person who has a direct or indirect
15 ownership interest in a premises operating under a brewpub permit issued under s.
16 125.295.

17 **SECTION 2759cb.** 125.26 (2) (b) 1. of the statutes is amended to read:

18 125.26 (2) (b) 1. Except as provided in s. ss. 125.295 and 125.31, Class "B"
19 licenses may not be issued to brewers or brewpubs.

20 **SECTION 2759ce.** 125.26 (2u) of the statutes is created to read:

21 125.26 (2u) Notwithstanding ss. 125.04 (3) (a) 3. and (9) and 125.09 (1), in
22 addition to the authorization specified in sub. (1), a Class "B" license issued under
23 this section to a caterer also authorizes the caterer to provide fermented malt
24 beverages, including their retail sale, at the National Railroad Museum in Green
25 Bay during special events held at this museum. Notwithstanding sub. (1), a caterer

1 may provide fermented malt beverages under this subsection at any location at the
2 National Railroad Museum even though the National Railroad Museum is not part
3 of the caterer's licensed premises, as described under sub. (3) in the caterer's Class
4 "B" license, and even if the National Railroad Museum is not located within the
5 municipality that issued the caterer's Class "B" license. A caterer that provides
6 fermented malt beverages under this subsection is subject to s. 125.32 (2) as if the
7 fermented malt beverages were provided on the caterer's Class "B" licensed
8 premises. This subsection does not authorize the National Railroad Museum to sell
9 fermented malt beverages at retail or to procure or stock fermented malt beverages
10 for purposes of retail sale. This subsection does not apply if, at any time, the National
11 Railroad Museum holds a Class "B" license.

12 **SECTION 2759cec.** 125.28 (2) (b) 1. e. of the statutes is created to read:

13 125.28 (2) (b) 1. e. A brewpub permit issued under s. 125.295.

14 **SECTION 2759ced.** 125.28 (2) (b) 2. of the statutes is amended to read:

15 125.28 (2) (b) 2. A person who has a direct or indirect ownership interest in a
16 premises operating under one or more of the licenses or permits listed in subd. 1. a.
17 to ~~d.~~ e.

18 **SECTION 2759cf.** 125.29 (5) and (6) of the statutes are created to read:

19 125.29 (5) BREWPUBS. No person holding a brewpub permit under s. 125.295
20 may register as a brewer under this section.

21 (6) RESTAURANTS. No person issued a permit under this section after the
22 effective date of this subsection [revisor inserts date], may hold a restaurant
23 permit issued under s. 254.64.

24 **SECTION 2759cg.** 125.295 of the statutes is created to read:

1 **125.295 Brewpub permits.** (1) The department shall issue brewpub permits
2 to eligible applicants authorizing all of the following:

3 (a) The manufacture of fermented malt beverages on the brewpub premises if
4 the entire manufacturing process occurs on these premises and not more than 10,000
5 barrels of fermented malt beverages are manufactured in a calendar year by the
6 permittee's brewpub group.

7 (b) The bottling on brewpub premises of fermented malt beverages that have
8 been manufactured on these premises.

9 (c) The packaging in refillable containers exceeding 24 ounces in volume, at the
10 request of a customer and on brewpub premises, of fermented malt beverages that
11 have been manufactured on these premises.

12 (d) The possession and storage of any fermented malt beverages on brewpub
13 premises.

14 (e) The transportation of fermented malt beverages that have been
15 manufactured on the brewpub premises between these premises and any other
16 brewpub premises or Class "B" premises of the brewpub group.

17 (f) Subject to s. 125.34 (3) and (4), the sale at wholesale, shipment,
18 transportation, and delivery, in original unopened packages or containers, to
19 wholesalers, from the brewpub premises, of fermented malt beverages that have
20 been manufactured on these premises or on other brewpub premises of the brewpub.

21 (g) The sale at wholesale, shipment, transportation, and delivery, in original
22 unopened packages or containers, to retailers, from the brewpub premises, of
23 fermented malt beverages that have been manufactured on these premises or on
24 other brewpub premises of the brewpub. A brewpub's brewpub group may not sell,
25 ship, transport, or deliver more than a total of 1,000 barrels of fermented malt

1 beverages in any calendar year to retailers under this paragraph. Fermented malt
2 beverages provided by a brewpub to any retail premises for which the brewpub group
3 holds a retail license shall not be included in any calculation of the 1,000 barrel
4 limitation under this paragraph. Deliveries and shipments of fermented malt
5 beverages by a brewpub under this paragraph shall be made to retailers only at their
6 retail premises. Any retailer receiving such a delivery or shipment is subject to the
7 prohibition under s. 125.34 (5) against further transporting the delivery or shipment
8 to any other retail premises.

9 (h) The sale of alcohol beverages at retail on the brewpub premises in
10 accordance with the terms of any retail license specified in subs. (2) (a) 4. and (3) (b)
11 and (c).

12 (i) Notwithstanding s. 125.33 (1), the ownership, maintenance, and operation
13 of places for the sale of fermented malt beverages at the state fair park or on any
14 county fairgrounds located in this state if the fermented malt beverages have been
15 manufactured by the brewpub.

16 (2) (a) An applicant is eligible for a brewpub permit only if all of the following
17 apply:

18 1. The applicant's brewpub group manufactures a total of not more than 10,000
19 barrels of fermented malt beverages in a calendar year.

20 2. The applicant's entire process for manufacturing fermented malt beverages
21 occurs on premises covered by a permit issued under this section. If the applicant
22 holds more than one permit issued under this section, the applicant is not required
23 to manufacture fermented malt beverages on each premises for which a permit is
24 issued under this section.

1 3. The applicant operates a restaurant on the premises for which the permit
2 is issued, for which a restaurant permit is issued under s. 254.64.

3 4. The applicant holds a Class "B" license for the restaurant identified in subd.
4 3. and, on these Class "B" premises, offers for sale, in addition to fermented malt
5 beverages manufactured by the applicant, fermented malt beverages manufactured
6 by a brewer other than the applicant and its brewpub group.

7 5. The applicant holds a valid certificate issued under s. 73.03 (50).

8 6. Neither the applicant nor the applicant's brewpub group holds, or has a
9 direct or indirect ownership interest in a premises operating under, any of the
10 following:

11 a. A Class "A" license issued under s. 125.25.

12 b. Except as provided in subd. 4. and subs. (1) (h) and (3) (b), a Class "B" license
13 issued under s. 125.26.

14 c. A wholesaler's license issued under s. 125.28.

15 d. A brewer's permit issued under s. 125.29.

16 e. Except as provided in subs. (1) (h) and (3) (c), a "Class B" license or permit
17 or "Class C" license issued under s. 125.51.

18 f. An alcohol beverage warehouse permit issued under s. 125.19.

19 (b) If an applicant under par. (a) has no current operations, the applicant may
20 certify that the applicant has applied for or will apply for a Class "B" license or
21 restaurant permit or will comply with any other requirement under par. (a), prior to
22 or upon commencing operations authorized under this section. If a Class "B" license
23 or restaurant permit is not subsequently issued to the applicant, or if the applicant
24 otherwise fails to comply with any requirement for eligibility under par. (a), the
25 department may revoke under s. 125.12 (5) the permit issued under this section.

1 (c) If an applicant under par. (a) holds any license or permit prohibited under
2 par. (a) 6. at the time of its application, the applicant may certify that the applicant
3 will surrender any such license or permit upon issuance of a permit under this
4 section. If the department issues a permit under this section and the applicant fails
5 to surrender any license or permit prohibited under par. (a) 6., the department may
6 revoke under s. 125.12 (5) the permit issued under this section. An applicant is not
7 required to surrender any Class "B" license issued under s. 125.31 (1) (a) 2. or under
8 s. 125.31 (1) (a) 3., 2005 stats., if the applicant's continued possession of the license
9 is consistent with subs. (1) (h), (2) (a) 4., and (3) (b) and (c).

10 (3) (a) No brewpub group may hold more than 6 brewpub permits issued under
11 this section.

12 (b) A brewpub may not hold any Class "B" license other than one issued for a
13 restaurant on the brewpub premises. Notwithstanding s. 125.26 (2) (a), each
14 Class "B" license shall be issued for the brewpub's restaurant in the same name as
15 the permittee under this section. Notwithstanding s. 125.33 (1), a brewpub may own
16 the furniture, fixtures, fittings, furnishings, and equipment on the Class "B"
17 premises and shall pay any license fee or tax required for the operation of the
18 premises.

19 (c) Subject to the requirements specified in s. 125.51 (3) and (3m), a brewpub
20 may also hold "Class B" licenses and "Class C" licenses, but only for restaurants on
21 brewpub premises.

22 (4) The fee established by the department for a brewpub permit shall not
23 exceed the fee established by the department for a permit under s. 125.29.

24 (5) The department shall promulgate rules and prescribe forms to ensure strict
25 compliance with the requirements under this section.

1 **SECTION 2759ch.** 125.31 (1) (a) 1. (intro.) of the statutes is repealed.

2 **SECTION 2759ci.** 125.31 (1) (a) 1. a. to e. of the statutes are renumbered 125.02
3 (2d) (a) to (e).

4 **SECTION 2759cj.** 125.31 (1) (a) 2. of the statutes is amended to read:

5 125.31 (1) (a) 2. Notwithstanding ss. 125.29 (2) and 125.33 (1), a brewer may
6 maintain and operate one place on brewery premises, and ~~one another place on real~~
7 ~~estate owned by the brewer or a subsidiary or affiliate corporation or limited liability~~
8 ~~company,~~ for the sale of fermented malt beverages for which a Class "B" license is
9 required for each place, but, except as provided in ~~subds. 3. and subd. 4.,~~ not more
10 than 2 such Class "B" licenses shall be issued to any brewer.

11 **SECTION 2759ck.** 125.31 (1) (a) 3. of the statutes is repealed.

12 **SECTION 2759cL.** 125.31 (1) (a) 4. of the statutes is amended to read:

13 125.31 (1) (a) 4. Notwithstanding ss. 125.29 (2) and 125.33 (1), in addition to
14 places authorized under subd. 2., a brewer may possess or hold an indirect interest
15 in a Class "B" license for not more than 20 restaurants in each of which the sale of
16 alcohol beverages accounts for less than 60% of the restaurant's gross receipts if no
17 fermented malt beverages manufactured by the brewer are offered for sale in any of
18 these restaurants. ~~No brewer may possess Class "B" licenses under both this~~
19 ~~subdivision and subd. 3.~~

20 **SECTION 2759cLd.** 125.32 (5) and (7) (a) of the statutes are amended to read:

21 125.32 (5) SIGNS NEAR TAPS AND BRANDS ON TAP; CLASS "B" PREMISES. Every Class
22 "B" licensee or permittee selling or offering for sale draught fermented malt
23 beverages shall display a sign on or near each tap or faucet disclosing the brand of
24 fermented malt beverage drawn from the tap or faucet and the name of its the brewer
25 or brewpub that manufactured it. No Class "B" licensee or permittee may substitute

1 any other brand of fermented malt beverage in place of the brand designated on the
2 sign with the intent to defraud or deceive the customer.

3 (7) (a) No fermented malt beverages may be sold, offered, or exposed for sale,
4 kept in possession with intent to sell, or served on any premises for which a license
5 or permit for the sale of fermented malt beverages has been issued unless each
6 barrel, keg, cask, bottle, or other container bears a label or other identification with
7 the name and address of the brewer or brewpub that manufactured it. The
8 possession of any fermented malt beverages which are not so identified on any
9 premises for which a license or permit for the sale of fermented malt beverages has
10 been issued is prima facie evidence that the fermented malt beverages are possessed
11 with intent to sell, offer for sale, display for sale, or give away.

12 **SECTION 2759cLf.** 125.33 (title), (1), (2) (intro.), (a), (d), (j), (k), (L) 2., 3. and 4.,
13 (n) 2. and (p) 1., (2s), (6), (7) (a) 1. a. and b., (b), (c) and (d), (7m), (8), (9), (10) (a) 1.
14 to 4., (b) and (c) 1. and 3. and (11) of the statutes are amended to read:

15 **125.33 (title) Restrictions on dealings between brewers, brewpubs,**
16 **wholesalers, and retailers. (1) FURNISHING THINGS OF VALUE. (a)** Except as
17 provided in this section and s. ss. 125.295 and 125.31, no brewer, brewpub, or
18 wholesaler may furnish, give, lend, lease, or sell any furniture, fixtures, fittings,
19 equipment, money, or other thing of value to any campus or Class "B" licensee or
20 permittee, or to any person for the use, benefit, or relief of any campus or Class "B"
21 licensee or permittee, or guarantee the repayment of any loan or the fulfillment of
22 any financial obligation of any campus or Class "B" licensee or permittee. Such
23 actions may not be taken by the brewer, brewpub, or wholesaler directly or indirectly,
24 or through a subsidiary or affiliate corporation or limited liability company, or by any
25 officer, director, stockholder, partner, or member thereof.

1 (b) No brewer, brewpub, or wholesaler may enter into any agreement whereby
2 any campus or Class "B" licensee or permittee is required to purchase the fermented
3 malt beverages of any brewer or brewpub to the exclusion of those manufactured by
4 other brewers or brewpubs. Such contracts may not be entered into by the brewer,
5 brewpub, or wholesaler, directly or indirectly, or through a subsidiary or an affiliate
6 corporation or limited liability company, or by any officer, director, stockholder,
7 partner, or member thereof.

8 (2) EXCEPTIONS. (intro.) Notwithstanding the prohibitions in sub. (1), a brewer,
9 brewpub, or wholesaler may:

10 (a) Give to any campus or Class "B" licensee or permittee, at any given time,
11 for placement inside the premises, signs, clocks, or menu boards with an aggregate
12 value of not more than \$2,500. If a gift of any item would cause the \$2,500 limit to
13 be exceeded, the recipient shall pay the brewer, brewpub, or wholesaler the amount
14 of the item's value in excess of \$2,500. Each recipient shall keep an invoice or credit
15 memo containing the name of the donor and the number and value of items received
16 under this paragraph. The value of an item is its cost to the donor. Each recipient
17 shall make the records kept under this paragraph available to the department for
18 inspection upon request.

19 (d) Sell to a campus or Class "B" licensee or permittee at fair market value
20 equipment designed and intended to preserve and maintain the sanitary dispensing
21 of fermented malt beverages or any services necessary to maintain this kind of
22 equipment. A brewer, brewpub, or wholesaler shall charge the same price per unit
23 of equipment to each campus or Class "B" licensee or permittee making the same or
24 a similar purchase, and shall charge the same rate to each campus or Class "B"
25 licensee or permittee purchasing maintenance services under this subdivision. Each

1 brewer, brewpub, or wholesaler shall keep records of each transaction under this
2 subdivision and shall make the records available to the department upon request.

3 (j) Contribute money or other items of value to, or purchase advertising from,
4 an institution of higher education which is exempt under section 501 (c) (3) of the
5 internal revenue code, as defined in s. 71.22 (4), if the contribution or purchase is for
6 a purpose other than the use, benefit, or relief of premises or operations for the sale
7 of fermented malt beverages and is not contingent either upon the use of the product
8 of the brewer, brewpub, or wholesaler by the institution or upon an agreement by the
9 institution wholly or partly to exclude from sale the products of a competing brewer,
10 brewpub, or wholesaler.

11 (k) Contribute money or other items of value, or purchase advertising from, a
12 campus if the contribution or purchase is for a purpose other than the use, benefit,
13 or relief of premises or operations for the sale of fermented malt beverages and is not
14 contingent either upon the use of the product of the brewer, brewpub, or wholesaler
15 by the campus or upon an agreement by the campus partly or wholly to exclude from
16 sale the products of a competing brewer, brewpub, or wholesaler.

17 (L) 2. Purchase advertising from a person who does not hold a license under this
18 chapter and who conducts national or regional sweepstakes, contests, or promotions
19 on the premises of Class "B" licensees or permittees that sell the brewer's, brewpub's,
20 or wholesaler's products. The person may promote an event or activity in connection
21 with a sweepstakes, contest, or promotion, including promoting the location of the
22 event or activity, if the Class "B" licensee or permittee on whose premises the event
23 or activity will occur does not receive money for hosting the event or activity and,
24 except as provided in subd. 4., if the advertising for the event or activity identifies
25 at least 4 unaffiliated Class "B" licensees or permittees.

1 3. Conduct national or regional sweepstakes, contests, or promotions on the
2 premises of Class "B" licensees or permittees that sell the brewer's, brewpub's, or
3 wholesaler's products. The brewer, brewpub, or wholesaler may promote an event
4 or activity in connection with a sweepstakes, contest, or promotion, including
5 promoting the location of the event or activity, if the Class "B" licensee or permittee
6 on whose premises the event or activity will occur does not receive money for hosting
7 the event or activity and, except as provided in subd. 4., if the advertising for the
8 event or activity identifies at least 4 unaffiliated Class "B" licensees or permittees.

9 4. A brewer that manufactures less than 30,000 barrels of fermented malt
10 beverages annually, or a brewpub, may purchase advertising under subd. 2, and may
11 promote sweepstakes, contests, or promotions through advertising under subd. 3.,
12 if the advertising identifies at least one Class "B" licensee or permittee.

13 (n) 2. Notwithstanding subd. 1., no brewer, brewpub, or wholesaler may
14 provide business entertainment to a Class "B" licensee or permittee under subd. 1.
15 in one day that has a value exceeding \$500, and no brewer, brewpub, or wholesaler
16 may provide business entertainment to a Class "B" licensee or permittee under subd.
17 1. on more than 8 days in any calendar year.

18 (p) 1. Have present not more than 3 individuals representing the brewer or
19 brewpub at a fermented malt beverages tasting event that lasts 2 days or less and
20 at which taste samples of fermented malt beverages brewed or sold by at least 5
21 different brewers or brewpubs are offered for consumption by persons who either pay
22 for the taste samples or pay a charge for admission to the event. Any individual
23 representing a brewer or brewpub shall confine his or her activities on the premises
24 to ensuring the integrity of, providing information about, and dispensing the
25 brewer's or brewpub's fermented malt beverages.

1 (2s) EXCEPTION FOR RETAIL TRADE ASSOCIATION CONTRIBUTIONS. Notwithstanding
2 the prohibitions in sub. (1), a brewer, brewpub, or wholesaler may contribute money
3 or other things of value to a bona fide national, statewide, or local trade association
4 that derives its principal income from membership dues of Class "B" licensees.

5 (6) VOLUME DISCOUNTS TO RETAILERS. Wholesalers of fermented malt beverages,
6 and brewpubs with respect to sales of fermented malt beverages authorized under
7 s. 125.295 (1) (g), shall charge the same price to all campuses and retail licensees and
8 permittees making purchases in similar quantities. Any discount offered on
9 fermented malt beverages shall be delivered to the retailer in a single transaction
10 and single delivery, and on a single invoice.

11 (7) (a) 1. a. Receive, purchase, or acquire fermented malt beverages from any
12 licensee, or from any brewpub acting under authority of s. 125.295 (1) (g), except for
13 cash or credit for a period of not more than 15 days.

14 b. Receive, purchase, or acquire fermented malt beverages from any licensee
15 or permittee, or from any brewpub acting under authority of s. 125.295 (1) (g), if at
16 the time of the receipt, purchase, or acquisition he or she is indebted to any licensee
17 ~~or~~, permittee, or brewpub for fermented malt beverages received, purchased,
18 acquired, or delivered more than 15 days earlier.

19 (b) *Restrictions on issuance of licenses and permits.* No Class "A" or Class "B"
20 license or permit may be issued to a person having an indebtedness for fermented
21 malt beverages outstanding for more than 15 days. In each application for a Class
22 "A" or Class "B" license or permit, the applicant shall state whether he or she has
23 indebtedness for fermented malt beverages to any licensee ~~or~~, permittee, or brewpub
24 which has been outstanding for more than 15 days.

1 (c) *Wholesalers and brewpubs holding retail licenses and permits.* For purposes
2 of this subsection, a person holding both a fermented malt beverage wholesale
3 license and a fermented malt beverage retail license is deemed a fermented malt
4 beverage retailer. For purposes of this subsection, a brewpub, when acting under
5 authority of a retail license with respect to fermented malt beverages not
6 manufactured by the brewpub, is deemed a fermented malt beverages retailer. This
7 paragraph does not affect any provision of this subsection with respect to a brewpub
8 acting under authority of s. 125.295 (1) (g).

9 (d) *Penalties.* A retail licensee or permittee who violates this subsection is
10 subject to the penalties under s. 125.11 except that he or she may not be imprisoned.
11 No brewer, brewpub, or wholesaler may be subjected to any penalty as the result of
12 the sale of fermented malt beverages to a campus or retail licensee or permittee when
13 purchased by the campus or retail licensee or permittee in violation of this
14 subsection.

15 (7m) **CONDITIONAL PURCHASES.** No Class "A" or Class "B" licensee may condition
16 the purchase of fermented malt beverages from a brewer, brewpub, or wholesaler
17 upon the furnishing by the brewer, brewpub, or wholesaler of any thing of value,
18 other than the products purchased, to the licensee or to any person for the use,
19 benefit, or relief of the licensee.

20 (8) **EXCLUSIVE SALES BY WHOLESALER.** A wholesaler may not sell or offer to sell
21 a brand of fermented malt beverages exclusively to one Class "A" licensee or to a
22 group of Class "A" licensees affiliated through common ownership, management or
23 control, unless the brand of fermented malt beverages is produced by a brewer ~~which~~
24 that produces less than 300,000 barrels of fermented malt beverages in a calendar
25 year or by a brewpub.

1 (9) CAMPUSES AND RETAILERS TO PURCHASE FROM WHOLESALERS. No Except as
2 provided in s. 125.295 (1) (g), no campus or retail licensee or permittee may purchase
3 or possess fermented malt beverages purchased from any person other than a
4 wholesaler holding a license under this chapter for the sale of fermented malt
5 beverages. Any person who violates this subsection may be fined not more than
6 \$10,000 or imprisoned for not more than 9 months or both.

7 (10) (a) 1. "Brand" means any word, name, group of letters, symbols, or
8 combination thereof, including the name of the brewer or brewpub if the brewer's or
9 brewpub's name is also a significant part of the product name, adopted and used by
10 a brewer or brewpub to identify a specific fermented malt beverage product and to
11 distinguish that product from other fermented malt beverages produced by that
12 brewer or brewpub or other brewers or brewpubs.

13 2. "Discontinued brand" means, with respect to a terminated wholesaler, any
14 brand of fermented malt beverages for which a brewer, brewpub, brewer's agent,
15 brewpub's agent, or holder of an out-of-state shipper's permit has terminated,
16 cancelled, or failed to renew an agreement, whether oral or written, with the
17 wholesaler to supply that brand.

18 3. "Successor wholesaler" means any wholesaler who enters into an agreement,
19 whether oral or written, to obtain a supply of a brand of fermented malt beverages
20 from a brewer, brewpub, brewer's agent, brewpub's agent, or holder of an
21 out-of-state shipper's permit after the brewer, brewpub, brewer's agent, brewpub's
22 agent, or holder of an out-of-state shipper's permit has terminated, cancelled, or
23 failed to renew an agreement, whether oral or written, with a terminated wholesaler
24 to supply that same brand of fermented malt beverages.

1 4. "Terminated wholesaler" means a wholesaler with whom a brewer, brewpub,
2 brewer's agent, brewpub's agent, or holder of an out-of-state shipper's permit has
3 terminated, cancelled, or failed to renew an agreement, whether oral or written, to
4 supply a brand of fermented malt beverages to that wholesaler.

5 (b) Except as provided in par. (c) and subject to pars. (d) and (e), a successor
6 wholesaler shall compensate a terminated wholesaler for the fair market value of the
7 terminated wholesaler's distribution rights to any discontinued brand of fermented
8 malt beverages assumed by the successor wholesaler for the same territory, less any
9 amount paid to the terminated wholesaler by the brewer, brewpub, brewer's agent,
10 brewpub's agent, or holder of an out-of-state shipper's permit for the discontinued
11 brand. If the terminated wholesaler's distribution rights to any discontinued brand
12 of fermented malt beverages are divided among 2 or more successor wholesalers,
13 each successor wholesaler shall compensate the terminated wholesaler for the fair
14 market value of the distribution rights to any discontinued brand of fermented malt
15 beverages assumed by that successor wholesaler for the applicable part of the same
16 territory, less any amount paid to the terminated wholesaler by the brewer, brewpub,
17 brewer's agent, brewpub's agent, or holder of an out-of-state shipper's permit for the
18 discontinued brand. A terminated wholesaler may not receive under this paragraph
19 total compensation from the successor wholesaler and brewer, brewpub, brewer's
20 agent, brewpub's agent, or holder of an out-of-state shipper's permit that exceeds
21 the fair market value of the terminated wholesaler's distribution rights specified
22 under this paragraph.

23 (c) 1. The wholesaler or a principal of the wholesaler engaged in material
24 fraudulent conduct or made substantial misrepresentations in its dealings with the
25 brewer, brewpub, brewer's agent, brewpub's agent, or holder of an out-of-state

1 shipper's permit or with others regarding any brand of the brewer, brewpub,
2 brewer's agent, brewpub's agent, or holder of an out-of-state shipper's permit.

3 3. The wholesaler or a principal of the wholesaler knowingly distributed any
4 brand of the brewer, brewpub, brewer's agent, brewpub's agent, or holder of an
5 out-of-state shipper's permit outside the territory authorized by the brewer,
6 brewpub, brewer's agent, brewpub's agent, or holder of an out-of-state shipper's
7 permit for distribution of the brand.

8 (11) SOURCE OF FERMENTED MALT BEVERAGES. (a) Subject to s. 125.34 (3), no
9 wholesaler who holds a retail license issued under this chapter may sell a brand of
10 fermented malt beverages to another retail licensee unless the wholesaler has an
11 agreement for general wholesale distribution of that brand of fermented malt
12 beverages with the brewer, brewpub, brewer's agent, brewpub's agent, or holder of
13 an out-of-state shipper's permit supplying that brand.

14 (b) If a wholesaler who holds a retail license issued under this chapter violates
15 par. (a), any other wholesaler aggrieved by such violation or the brewer or brewpub
16 may bring an action against such wholesaler in any court of competent jurisdiction
17 for damages sustained by the aggrieved wholesaler or the brewer or brewpub as a
18 consequence of the violation, together with the actual costs of the action.
19 Notwithstanding s. 814.04 (1), a wholesaler or the brewer or brewpub who prevails
20 in an action under this paragraph may recover reasonable actual attorney fees
21 incurred in the action.

22 SECTION 2759cLh. 125.34 (title), (1) (a) and (c), (2) (a), (bg) and (bm), (3) (a) 1.
23 and 2., (4) (a) and (5) of the statutes are amended to read:

24 125.34 (title) **Distribution restrictions on wholesalers, brewers,**
25 **brewpubs, and out-of-state shippers.** (1) (a) "Brand" means any word, name,

1 group of letters, symbol, or combination thereof, including the name of the brewer,
2 brewpub, or out-of-state shipper if the brewer's, brewpub's, or out-of-state
3 shipper's name is also a significant part of the product name, adopted and used by
4 a brewer, brewpub, or out-of-state shipper to identify a specific fermented malt
5 beverage product and to distinguish that product from other fermented malt
6 beverages produced by that brewer, brewpub, or out-of-state shipper or other
7 brewers, brewpubs, or out-of-state shippers.

8 (c) "Designated sales territory" means the geographical area identified in a
9 written agreement between a wholesaler and a brewer, brewpub, or out-of-state
10 shipper under which the wholesaler is authorized to distribute one or more brands
11 of fermented malt beverages supplied by the brewer, brewpub, or out-of-state
12 shipper.

13 (2) (a) No Except as provided in sub. (6) (b) and s. 125.295 (1) (e) and (g), no
14 fermented malt beverages may be sold, transported, or delivered to a retailer unless,
15 prior to such sale, transport, or delivery, the fermented malt beverages are first
16 unloaded at and distributed from a wholesaler's warehouse premises covered by both
17 a wholesaler's license issued under s. 125.28 and an alcohol beverage warehouse
18 permit issued under s. 125.19, which premises shall be in this state and shall be a
19 physically separate location from any retail premises or brewery premises. This
20 paragraph does not apply to a wholesaler issued a wholesaler's license under s.
21 125.28 (1) (b) with respect to fermented malt beverages transported and delivered
22 from a warehouse in an adjoining state unless the wholesaler's warehouse in the
23 adjoining state is located on premises in the adjoining state used for the manufacture
24 of fermented malt beverages.

1 (bg) Notwithstanding par. (a), a brewer that, together with the fermented malt
2 beverages ~~manufactured during the same year by all producers identified in s.~~
3 ~~125.31 (1) (a) 1. a. to e.~~ its brewer group, manufactures not more than 50,000 barrels
4 of fermented malt beverages in a calendar year in any location may be issued a
5 wholesaler's license for wholesale premises located on brewery premises.

6 (bm) Notwithstanding par. (a), a brewer that, together with the fermented malt
7 beverages ~~manufactured during the same year by all producers identified in s.~~
8 ~~125.31 (1) (a) 1. a. to e.~~ its brewer group, manufactures more than 50,000 barrels of
9 fermented malt beverages in a calendar year in any location may be issued a
10 wholesaler's license for wholesale premises located on brewery premises but may not
11 sell or ship more than a total of 1,000 barrels of fermented malt beverages in any
12 calendar year to retailers from these wholesale premises. Fermented malt beverages
13 provided by a brewer to any retail premises for which the brewer holds the retail
14 license shall not be included in any calculation of the 1,000 barrel limitation under
15 this paragraph.

16 (3) (a) 1. Subject to subd. 3., a wholesaler may not sell, transport, or deliver any
17 brand of fermented malt beverages unless the wholesaler has entered into a written
18 agreement with the brewer, brewpub, or out-of-state shipper supplying the brand
19 that grants to the wholesaler distribution rights for the brand and identifies the
20 designated sales territory for which such distribution rights are granted, including
21 the precise geographical area comprising the designated sales territory.

22 2. A brewer, brewpub, or out-of-state shipper may not, in any agreement under
23 this paragraph, grant to more than one wholesaler distribution rights for the same
24 brand in the same designated sales territory or in any part of the same designated
25 sales territory.

1 (4) (a) Any retailer located outside the wholesaler's designated sales territory
2 for the brand. This paragraph does not apply if another wholesaler that has been
3 granted distribution rights for the brand in the designated sales territory where the
4 sale, transportation, or delivery occurs is unable to service this designated sales
5 territory and the brewer, brewpub, or out-of-state shipper granting distribution
6 rights has, notwithstanding sub. (3) (a), given consent for the sale, transportation,
7 or delivery, which consent shall be limited to the time period that another wholesaler
8 is unable to service this designated sales territory. This paragraph does not apply if
9 the wholesaler is also a brewer and another wholesaler to whom this brewer has
10 granted distribution rights for the brand in the designated sales territory where the
11 sale, transportation, or delivery occurs has, notwithstanding sub. (3) (a), given
12 consent for the sale, transportation, or delivery or refused to service this territory.

13 (5) Deliveries Except as provided in sub. (6) (b) and s. 125.295 (1) (e) and (g),
14 deliveries of fermented malt beverages to retailers may be made only by wholesalers
15 and shall be made to retailers only at their retail premises. No retailer may transport
16 fermented malt beverages from one retail premises to another retail premises for
17 purposes of selling the fermented malt beverages at the other retail premises unless
18 both retail premises are operated by a brewer or brewpub holding the retail licenses.

19 **SECTION 2759cm.** 125.51 (2) (am) of the statutes is created to read:

20 125.51 (2) (am) In addition to the authorization under par. (a), a "Class A"
21 license also authorizes the licensee to provide, free of charge, to customers and
22 visitors who have attained the legal drinking age, taste samples of intoxicating
23 liquor, other than wine, that are not in original packages or containers and that do
24 not exceed 0.5 fluid ounces each, for consumption on the "Class A" premises. No
25 "Class A" licensee may provide, under this paragraph, more than 3 taste samples per

1 day to any one person. Taste samples may be provided under this paragraph only
2 between the hours of 11 a.m. and 7 p.m. Any other provision of this chapter
3 applicable to retail sales of intoxicating liquor, other than wine, by a "Class A"
4 licensee also applies to the provision of taste samples under this paragraph. No
5 "Class A" license may provide taste samples under this paragraph that the "Class A"
6 licensee did not purchase from a wholesaler. The authorization provided to a "Class
7 A" licensee under this paragraph is in addition to the exception for a "Class A"
8 licensee specified in s. 125.06 (13).

9 **SECTION 2759cs.** 125.51 (3) (bu) of the statutes is created to read:

10 125.51 (3) (bu) Notwithstanding ss. 125.04 (3) (a) 3. and (9) and 125.09 (1), in
11 addition to the authorization specified in sub. (1) (a) and in sub. (3) (a) or (b), a "Class
12 B" license issued under sub. (1) to a caterer also authorizes the caterer to provide
13 intoxicating liquor, including its retail sale, at the National Railroad Museum in
14 Green Bay during special events held at this museum. Notwithstanding subs. (1) (a)
15 and (3) (a) and (b), a caterer may provide intoxicating liquor under this paragraph
16 at any location at the National Railroad Museum even though the National Railroad
17 Museum is not part of the caterer's licensed premises, as described under par. (d) in
18 the caterer's "Class B" license, and even if the National Railroad Museum is not
19 located within the municipality that issued the caterer's "Class B" license. A caterer
20 that provides intoxicating liquor under this paragraph is subject to s. 125.68 (2) as
21 if the intoxicating liquor were provided on the caterer's "Class B" licensed premises.
22 This paragraph does not authorize the National Railroad Museum to sell
23 intoxicating liquor at retail or to procure or stock intoxicating liquor for purposes of
24 retail sale. This paragraph does not apply if, at any time, the National Railroad
25 Museum holds a "Class B" license.